



**U. S. Department of Justice
U. S. Attorney's Office
Southern District of Texas**
Chuck Rosenberg • United States Attorney

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**FORMER IRS EMPLOYEE CONVICTED OF FILING FALSE CLAIM FOR
HURRICANE KATRINA DISASTER ASSISTANCE**

(HOUSTON, TX) United States Attorney Chuck Rosenberg announced today the conviction of Barney Spears, 38, for filing a false claim for Hurricane Katrina Disaster funds with the Federal Emergency Management Agency (FEMA).

At a hearing this morning before United States District Judge Keith Ellison, Spears pleaded guilty to the federal felony offense and is now set to be sentenced on May 19, 2006. At sentencing, Spears faces a maximum punishment of five years imprisonment and a \$250,000. Spears, who was released on bond following his arrest in Louisiana, has been permitted to remain on bond pending his sentencing.

The federal investigation that led to the filing of the federal charges against Spears was initiated after police officers in Dayton, Texas, found stolen DVDs and an Orleans Parish Sheriff's badge in the name of another individual in Spear's vehicle during a traffic stop on August 30, 2005. Because of the Sheriff's badge and because Spears claimed to work for the IRS, but did not have IRS credentials, the police notified the Department of Homeland Security, which in turn notified the Department of Treasury.

The Treasury Inspector General for Tax Administration (TIGTA) confirmed that Spears was, in fact, a Revenue Officer in the Houston office of the Internal Revenue Service. Special

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Agents of the TIGTA began to follow Spears. On September 13, 2005, TIGTA agents followed Spears as he drove to the George R. Brown Convention Center in downtown Houston. At the time, the Convention Center was a shelter for Hurricane Katrina evacuees. An agent observed Spears boarding a bus along with others lined up in the medical area of the convention center. The agent talked to the person in charge of the group and learned that Spears had boarded a bus transporting hurricane evacuees to the U.T. Dental School for free dental treatment.

This information led agents to inquire whether Spears had applied for hurricane disaster assistance with the FEMA. Evidence proved that Spears had filed an online application with FEMA for Hurricane Katrina disaster assistance on September 5, 2005. In his application, Spears had listed 2536 Port St. in New Orleans as his primary residence, and claimed essential needs for food, shelter, and clothing because of Hurricane Katrina. Based on his application, \$2,000 in expedited disaster assistance was deposited in the bank account where Spears' government paychecks were deposited.

The TIGTA investigation proved that at the time Hurricane Katrina struck New Orleans, Spears had been living and working in Houston since September 2004. Evidence gathered by investigating agents showed that Spears had been residing in an apartment located on 2300 block Lazy Hollow Dr. in Houston since September 2004, and had begun working as an IRS Revenue Officer in Houston in October 2004. Moreover, in his application for employment with the IRS, Spears had stated he had not resided in New Orleans since 1999.

Spears was indicted on September 21, 2005, by a federal grand jury in Houston, Texas. TIGTA agents with the assistance of St. John Parish Sheriff's deputies arrested him at a residence in La Place, Louisiana, on September 29, 2005. Following his arrest, Spears admitted to federal agents he had filed the false claim for disaster assistance with FEMA.

Spears was the first of a total of eight individuals charged to date in the Southern District of Texas with fraud relating to Hurricane Katrina and Rita disaster assistance, and is the sixth to be convicted.

The United States Attorney's Office for the Southern District of Texas is a member of the Department of Justice's Hurricane Katrina Fraud Task Force, created by Attorney General Alberto R. Gonzales to deter, detect and prosecute unscrupulous individuals who try to take advantage of the Hurricane Katrina and Hurricane Rita disasters. Headed by Assistant Attorney General Alice S. Fisher, the Task Force is comprised of federal, state, and local law enforcement investigating agencies and the United States Attorney's Offices in the Gulf Coast region and nationwide. This matter was investigated by the Department of Treasury Inspector General for Tax Administration with the assistance of the Department of Homeland Security Office of Inspector General and prosecuted by Assistant United States Attorney Gregg Costa.

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